CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

December 6, 2013

TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst

SUBJECT: December 11, 2013 Budget and Finance Committee Meeting

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Item 1 **File 13-1092**	**Department:** Port

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would authorize a Mutual Termination Agreement between the Port and Literacy for Environmental Justice (LEJ), a nonprofit organization, for the existing lease on the EcoCenter at Heron's Head Park.

Key Points

- In 1998, the Port constructed Heron's Head Park to include eight acres of wetland habitat and 14 acres of open space. In 2001, Literacy for Environmental Justice (LEJ), a nonprofit organization received grants totaling $1,298,000 from the City's Department of Environment and the State's Coast Conservancy to construct an EcoCenter at Heron's Head Park.
- On February 3, 2006, the Board of Supervisors approved a ten-year ground lease between the Port and LEJ, for LEJ to construct, occupy and maintain at LEJ's expense an EcoCenter at Heron's Head Park from December 7, 2007 through December 6, 2017.
- Since 2010, when LEJ opened the EcoCenter, LEJ has experienced financial and related staffing problems and, as a result, the LEJ is unable to operate, maintain and program the EcoCenter as originally envisioned. Therefore, LEJ has requested that the Port terminate the existing lease for the EcoCenter and Heron's Head Park.
- On September 24, 2013, the Port Commission authorized Port staff to issue a Request for Proposals to re-lease the EcoCenter, contingent upon termination of the subject LEJ lease. The Port received two qualified responses. Port staff anticipates the Port Commission will take action regarding the most qualified respondent to re-lease the EcoCenter on January 14, 2014, which would not be subject to Board of Supervisors approval.

Fiscal Impact

- To date, LEJ has not paid any rent to the Port because authorized rent credits totaling $53,477 were greater than the $5,500 annual rent that LEJ was required to pay the Port since the lease commenced on December 7, 2007. However, LEJ paid $68,000 in deposit and fee revenues to the Port, all of which will be retained by the Port.
- Upon termination of the subject lease, ownership of the EcoCenter will revert to the Port. LEJ spent more than $1.5 million to design, permit, and construct the existing EcoCenter. The annual cost for the Port to operate and maintain the EcoCenter will be approximately $111,500.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

In accordance with City Charter Section 9.118(c), any lease of real property for a period of ten years or more or that has revenue to the City of $1 million or more is subject to Board of Supervisors approval.

BACKGROUND

In 1998, the Port constructed Heron's Head Park on the undeveloped Pier 98 on the southern waterfront, at Jennings and Cargo Way, to include approximately eight acres of wetland habitat and 14 acres of open space with trails, picnic area, interpretive signs and a fishing pier. In 2001, Literacy for Environmental Justice (LEJ), a nonprofit organization that provided environmental education to youth in the Bayview-Hunters Point community, received an $898,000 grant from the City's Department of Environment to construct a "Living Classroom" or EcoCenter at Heron's Head Park. In 2001, LEJ received an additional $400,000 grant from the California State Coastal Conservancy[1] to continue to support the construction of the EcoCenter.

On February 3, 2006, the Board of Supervisors approved a ten-year ground lease between the Port and the LEJ, which included the requirement that the LEJ construct, occupy and maintain at LEJ's expense an EcoCenter at Heron's Head Park for a term of ten years, from December 7, 2007 through December 6, 2017 (File 06-0118; Resolution No. 60-06). Major provisions of this ground lease included:

- Approximately 2,300 square feet for the EcoCenter;
- Approximately 6,000 square feet of surrounding open land under a non-exclusive license;
- Rent paid by LEJ to Port commencing at $5,500 per year, approximately $458 per month or $.20 per square foot per month for the 2,300 square foot EcoCenter, with annual cost of living increases;
- Up to $70,000 in rent credits from Port to LEJ based on actual costs for the foundation and site preparation work on the EcoCenter;
- $5,000 security deposit paid by LEJ to Port;

[1] Under this grant agreement between the State Coastal Conservancy, the Port and LEJ, the EcoCenter must be used for environmental education purposes for 20 years and the Coastal Conservancy has the right to find a replacement nonprofit organization to LEJ for these purposes in the event LEJ defaults.

- $48,000 Capital Improvement Fee and $15,000 Removal of Tenant Improvement Fee paid by LEJ to Port prior to commencement of lease; and
- Materialman's Completion Bond secured by LEJ, issued by a surety company, in amount not less than the construction contract bid.

On October 22, 2007, the Board of Supervisors approved a resolution authorizing an addendum to the lease with LEJ to remove the requirement that LEJ obtain a Materialman's Completion Bond as it was not commercially available for this project (File 07-1310; Resolution 553-07).

LEJ completed construction of the EcoCenter in Heron's Head Park in 2010. The EcoCenter is an approximately 2,300 square foot building, constructed as a demonstration project to showcase green building technologies, comprised of an open meeting room, two small offices and utility rooms, two restrooms, an adjacent wastewater treatment facility and a vegetated roof. The EcoCenter is entirely solar-powered with no back-up connection to an outside electrical system. The wastewater treatment and solar power systems as well as the vegetated roof require skilled operation, maintenance and monitoring. The EcoCenter and Heron's Head Park are used for environmental education, sustainability coursework, wildlife habitat, bird watching, public outreach and passive recreation purposes.

According to Ms. Carol Bach, the Port's Environmental and Regulatory Affairs Manager, since 2010, when LEJ opened the EcoCenter, LEJ has experienced financial and related staffing problems. Ms. Bach notes that the founding Executive Director of LEJ departed at the end of 2005, after which the LEJ had three consecutive Executive Directors, the last of which was laid off in 2011 and has not been replaced. In addition, the financial downturn of the economy in 2009 impacted LEJ's fundraising abilities significantly, and, as a result, the LEJ is unable to operate, maintain and program the EcoCenter as originally envisioned. Ms. Bach advises that, at this time, LEJ wishes to invest its limited personnel and resources into its native plant nursery and habitat restoration at Candlestick Point State Park, rather than continuing to operate the EcoCenter in Heron's Head Park.

As a result, LEJ has requested that the Port terminate the existing lease and license agreements for the EcoCenter and Heron's Head Park. On October 8, 2013, the Port Commission authorized the Executive Director of the Port to execute a Mutual Termination Agreement with LEJ (Port Resolution No. 13-39).

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize a Mutual Termination Agreement between the Port and Literacy for Environmental Justice (LEJ), a nonprofit organization, for the existing lease on the EcoCenter at Heron's Head Park.

On September 24, 2013, the Port Commission authorized Port staff to issue a Request for Proposals (RFP) to re- lease the EcoCenter, contingent upon termination of the subject lease and license with LEJ. Ms. Bach advises that the Port received two qualified responses on November 8, 2013 and Port staff is currently reviewing these responses. Ms. Bach anticipates that at the Port Commission meeting on January 14, 2014, the Port Commission will take action on the staff's recommendation regarding the most qualified respondent to re-lease the EcoCenter. Ms. Bach advises that the proposed new lease would not be subject to Board of Supervisors approval, as the new lease is likely to be for an initial term of five years, with two possible two-year extensions, or a maximum of nine years, at the Port's discretion.

If the proposed resolution is approved, Ms. Bach advises that the subject lease with LEJ would be terminated in the near future on a date convenient to the Port. The Port is currently planning the transition to operate and maintain the EcoCenter and Heron's Head Park. Ms. Bach notes that the termination date may, but does not have to be concurrent with the effective date of a lease with a new tenant.

FISCAL IMPACT

Under the existing lease with LEJ, which commenced on December 7, 2007, LEJ is to pay the Port $5,500 per year in rent, with annual cost of living adjustments. However, the existing lease also provides for rent credits of up to $70,000 based on documentation of the actual costs incurred by LEJ for the foundation and site preparation for the EcoCenter. Ms. Bach advises that as of March 17, 2011, LEJ had submitted documentation to the Port of foundation and site preparation expenditures totaling $53,477 in rent credits, which is greater than the amount of rent LEJ owed the Port over the past six years. As a result, to date, LEJ has not paid any rent to the Port.

As identified above, LEJ has already paid (a) the required $5,000 security deposit, and (b) $48,000 Capital Improvement Fee and $15,000 Removal of Tenant Improvement Fee, for a total of $68,000 in deposit and fee revenues to the Port, all of which are non-refundable, and will be retained by the Port.

Upon termination of the subject lease, ownership of the EcoCenter will revert to the Port. Ms. Bach advises that it is difficult to determine the value of the EcoCenter, as it is a unique building, constrained by its small size, limitations regarding solar power, wastewater treatment and vegetated roof, and location within a natural park, limiting vehicular access[2]. Ms. Bach

[2] Ms. Bach notes that because the EcoCenter does not have vehicular access, one must walk to the EcoCenter and deliveries by motor vehicle are not possible.

advises that LEJ spent more than $1.5 million to design, permit, and construct the existing EcoCenter and related facilities.

Upon termination of the subject lease, the cost to operate and maintain the existing EcoCenter will also revert to the Port. Ms. Bach estimates the annual operating and maintenance costs will be approximately $111,500 per year, with most of the work performed by Port staff.

In addition, Ms. Bach notes that the Port has funded various environmental education programs at Heron's Head Park since the Park opened in 1999. Such environmental education and related public programs have been provided through a variety of organizations, including work orders with San Francisco City College's Center for Habitat Restoration, use of temporary Port staff, contracts with LEJ, and work orders with the Youth Stewardship Program in the City's Recreation and Park Department, which are currently ongoing. The Port's FY 2013-14 budget includes approximately $110,000 for public programming and facilities maintenance at the EcoCenter and Heron's Head Park, and $68,000 funded through work orders with RPD.

RECOMMENDATION

Approve the proposed resolution.

Item 2 **File 13-1126**	**Department:** Real Estate Division Mayor's Office of Housing and Community Development (MOHCD)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve the jurisdictional transfer of real property at McAllister Street and Ash Alley, known as Parcel E (portions of Lot 030 and 033, Block 0785) from the Real Estate Division to the Mayor's Office of Housing and Community Development for $4,584,000.

Key Points

- The 1989 Loma Prieta earthquake significantly damaged the Central Freeway between Market and Fell Streets. In 1998 San Francisco voters approved removing the Central Freeway and replacing it with a ground level Octavia Boulevard between Market and Fell Streets. The State transferred 26 parcels, formerly occupied by the Central Freeway, at no cost to the City on January 16, 2001.
- One of the 26 parcels, Parcel E, is currently leased as a parking lot to the San Francisco Unified School District (SFUSD) for up to 99 years, at current rent of $5,521 per month. The City's Real Estate Division currently has jurisdiction of Parcel E. All rental revenues are deposited into the Octavia Boulevard Special Fund, to be used for ancillary Octavia Boulevard Project transportation improvements.

Fiscal Impact

- Based on a February 1, 2013 appraisal, the present value of the subject Parcel E with the existing lease is $4,584,000. However, the market value of Parcel E would be $7,500,000, if the long-term parking lease was terminated. The $2,916,000 difference represents the leasehold interest value held by the SFUSD under the terms of the existing lease.
- MOHCD would use General Fund monies appropriated for Low Income Housing-Affordable Family Rental Housing in the MOHCD FY 2013-14 and FY 2014-15 budgets to pay for the subject Parcel E.
- The $4,584,000 paid by MOHCD to the Real Estate Division for the subject jurisdictional transfer of Parcel E would be deposited into the Octavia Boulevard Special Fund.

Policy Consideration

- The existing 99-year lease with SFUSD began in January 1976, when Parcel E was owned by Caltrans, who negotiated the original lease with the State Bar of California for parking. The State Bar assigned their leasehold interest to the SFUSD in 1998 and Caltrans assigned their landlord interest upon conveyance of the subject property to the City in 2001.

Recommendations

- Request the Director of the Real Estate Division to orally report on the December 10, 2013 decision by the SFUSD Governing Board on pending property transactions with the City of San Francisco.
- If the SFUSD Governing Board does not approve related property transactions for affordable housing, continue the proposed resolution.
- If the SFUSD Governing Board approves moving forward with the subject affordable property transactions, amend the proposed resolution to be contingent on the MOHCD entering into an agreement with the SFUSD to exchange comparable alternative properties for the development of affordable housing in the City, subject to future approval by the Board of Supervisors, and approve the proposed resolution as amended.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

In 1998, San Francisco voters approved Proposition E, calling for the removal of the Central Freeway north of Market Street and for its replacement with a ground level boulevard along Octavia Street between Market and Fell Streets. In 1999, San Francisco voters approved Proposition I, reaffirming the earlier Proposition E and requiring that the City use any proceeds from the sale or lease of the parcels made available by the demolition of the Central Freeway for the Octavia Boulevard project and ancillary Octavia Boulevard Project transportation improvements.

Section 10-100.369 of the City's Administrative Code established a Category Four Fund[1] entitled the Octavia Boulevard Special Fund to receive the following monies: (a) all revenues accruing to the City from the sale, lease or other uses of real property formerly occupied by the Central Freeway between Market Street and Turk Street, and (b) all monies received by the City or appropriated by the Board of Supervisors for a ground-level boulevard along Octavia Street from Market Street to Fell Street and for ancillary Octavia Boulevard Project transportation improvements. All monies in the Octavia Boulevard Special Fund are subject to appropriation approval by the Mayor and the Board of Supervisors.

Background

The 1989 Loma Prieta earthquake significantly damaged sections of the Central Freeway, resulting in demolition of the portion of the Central Freeway between Market and Fell Streets

[1] Category Four Funds earn interest, carry forward fund balances and are subject to appropriation approval by the Mayor and the Board of Supervisors.

by the State of California's Department of Transportation (Caltrans). Pursuant to Section 72.1 of the California Streets and Highways Code and a Cooperative Agreement between Caltrans and the City and County of San Francisco (City) dated November 29, 2000, the State transferred 26 parcels[2], formerly occupied by the Central Freeway, at no cost to the City on January 16, 2001. According to Mr. John Updike, Director of Real Estate, since 2001 the City has sold 19 of the 26 parcels, generating $46,855,664 for the Octavia Boulevard Special Fund. Of the remaining seven City-owned parcels, Mr. Updike advises that three parcels are currently on the market for sale pending responses to City Requests for Proposals (RFP), two parcels are being studied for future marketing potential and two parcels are currently being leased.

One of the two leased parcels remaining, commonly known as Parcel E, as shown in the attached map (Attachment 1), is located on the south side of McAllister Street between Franklin and Gough Streets, at Ash Alley. This 29,255 square foot parcel is located immediately behind the San Francisco Unified School District (SFUSD) headquarters at 555 Franklin Street and is currently leased by the City to the SFUSD for surface employee parking. The existing lease between the City and the SFUSD extends for 50 years from January 1, 1976 through December 31, 2025, with four ten-year options plus one nine-year option, to extend through December 31, 2074, or a total of 99 years. All of the options to extend are at the sole discretion of the SFUSD and the existing lease contains no termination provisions[3].

The SFUSD currently pays the City rent of $5,521 per month, which is $66,252 annually, or approximately $2.26 per square foot per year. The rent adjusts every five years in accordance with the cost of living and will next adjust in 2016. Under this lease, the SFUSD is responsible for utilities, insurance and all maintenance expenses.

Parcel E is currently under the jurisdiction of the City's Real Estate Division. All rent revenues received under this lease with the SFUSD are deposited into the Octavia Boulevard Special Fund. As of the writing of this report, the Octavia Boulevard Special Fund has a balance of $16,419,711.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the jurisdictional transfer of City-owned Parcel E, real property at McAllister Street and Ash Alley (consisting of portions of Lot 030 and 033, Block 0785) from the Real Estate Division to the Mayor's Office of Housing and Community Development (MOHCD). MOHCD would pay the Real Estate Division $4,584,000, to be

[2] The number of 26 parcels varies slightly from prior City staff reports, to account for subsequent division of parcels, which subsequently occurred.

[3] Mr. Updike advises that termination of the existing lease would only be available through eminent domain, requiring a complicated process be engaged by the City.

deposited into the Octavia Boulevard Special Fund for the proposed jurisdictional transfer of Parcel E.

According to Mr. Kevin Kitchingham, Project Manager in MOHCD, the proposed jurisdictional transfer from the Real Estate Division to MOHCD is being requested in order to leverage this parcel as part of a pending multiple property exchange with the SFUSD of other SFUSD-owned properties. Mr. Kitchingham advises that the ultimate intent is to secure two properties for affordable housing. Mr. Kitchingham and Mr. Updike advise that City staff are currently in discussions with the SFUSD regarding potential surplus SFUSD parcels. On December 10, 2013, the SFUSD Governing Board will discuss a pending transaction of specific SFUSD surplus property and will provide direction to SFUSD staff relative to a pending Purchase and Sale Agreement with the City, for which the SFUSD staff has recommended approval. Any finalized property transaction for the City to sell Parcel E in exchange for purchasing other SFUSD surplus property for affordable housing purposes would be subject to Board of Supervisors approval.

FISCAL IMPACT

Mr. Updike advises that the Real Estate Division retained Clifford Advisory, a private real estate valuation firm, at a cost of $6,000, for an appraisal of the subject Parcel E. On February 26, 2013, Clifford Advisory submitted their appraisal report to the Real Estate Division.

The Clifford Advisory appraisal determined that as of February 1, 2013 the market value of the subject Parcel E, consisting of 29,255 square feet of vacant land, would be $7,500,000, if the long-term parking lease was terminated, such that an approximate 5-story mixed use residential structure could be developed, consistent with the City's current zoning. However, given the long-term parking lease agreement on the subject parcel, the development potential of the property is deferred 62 years, minimizing its present value to $4,584,000. As a result, the $2,916,000 difference between the $7,500,000 market value without the existing long-term lease and the $4,584,000 present value with the existing long-term lease represents the leasehold interest value held by the SFUSD under the terms of the existing lease.

The proposed resolution would transfer Parcel E from the Real Estate Division to MOHCD for a payment of $4,584,000 by MOHCD to Real Estate. According to Mr. Kitchingham, MOHCD would use General Fund monies appropriated for Low Income Housing-Affordable Family Rental Housing in the MOHCD FY 2013-14 budget to pay for the subject parcel. However, a review of the Mayor's approved budget reflects $3,150,000 appropriated in this funding source in FY 2013-14 and an additional $1,400,000 appropriated for FY 2014-15, or a total of $4,550,000, which is $34,000 less than the present value $4,584,000 needed for the Parcel E property. Mr. Kitchingham advises that if additional funds are not appropriated as part of the

FY 2014-15 budget, the MOHCD will obtain the $34,000 from another affordable housing funding source.

Mr. Kitchingham advises that if the proposed resolution is approved, after the transfer of Parcel E from the Real Estate Division to MOHCD, MOHCD will receive the current $5,521 monthly rental revenues from the SFUSD. Such SFUSD rental revenues would be used to offset the additional costs to purchase and close on this property and subsequent SFUSD transactions.

The $4,584,000 to be paid by the MOHCD to the Real Estate Division for the subject jurisdictional transfer of Parcel E would be deposited into the Octavia Boulevard Special Fund. The monies in the Octavia Boulevard Special Fund would be used, as required by the City's Administrative Code, for ancillary Octavia Boulevard Project transportation improvement projects, subject to appropriation approval by the Board of Supervisors. On July 25, 2013, the San Francisco County Transportation Authority approved an amended Central Freeway Replacement Project ancillary project list, which is included as Attachment 2 to this report.

POLICY CONSIDERATION

Why a 99-Year Lease with SFUSD for Parking

As noted above, the existing lease of Parcel E between the City and the SFUSD extends for 50 years from January 1, 1976 through December 31, 2025, with four ten-year options plus one nine-year option, to extend through December 31, 2074, or a total of 99 years. All of the options to extend are at the sole discretion of the SFUSD and the existing lease contains no termination provisions. Currently, the City receives $5,521 per month, which is $66,252 annually, or approximately $2.26 per square foot per year from the SFUSD for this parcel.

When queried regarding why a 99-year lease at such favorable rates and terms would have been agreed to, Mr. Updike responded that the original lease for this parcel dates back to January 1976. In 1976, the subject Parcel E was owned by Caltrans, which negotiated the original lease with the State Bar of California for parking. The State Bar subsequently assigned their leasehold interest to the SFUSD in 1998. The City was assigned the landlord interest upon conveyance of the subject property from Caltrans in 2001.

As noted in the recent 2013 appraisal, the value of the existing lease to the SFUSD is $2,916,000, or the difference between the $7,500,000 market value without the existing long-term lease and the $4,584,000 present value with the existing long-term lease. Mr. Updike notes that the existing up to 99-year lease, even with a CPI inflator, highlights the risk of entering into long-term leases that do not keep pace with real estate pricing, to the significant benefit of the tenant, in this case the SFUSD.

Pending Property Transactions with the SFUSD

Instead of continuing to lease Parcel E to the SFUSD, the Real Estate Division could attempt to directly sell the subject Parcel E to the SFUSD. However, Mr. Kitchingham and Mr. Updike advise that the need to secure the proposed jurisdictional transfer of Parcel E from Real Estate to MOHCD at this time, prior to the specifics on the other potential SFUSD-owned surplus parcels, is to improve the City's negotiating position relative to the pending affordable housing property transaction with the SFUSD. Mr. Updike advises that if the Real Estate Division and MOHCD are not successful in securing other SFUSD surplus parcels that can be used for developing affordable housing projects, in an exchange with the SFUSD, then MOHCD would continue to receive the rental revenues paid by the SFUSD for employee parking, which would be applied toward affordable housing efforts or leverage ownership of Parcel E into a different transaction that would yield affordable housing for the City.

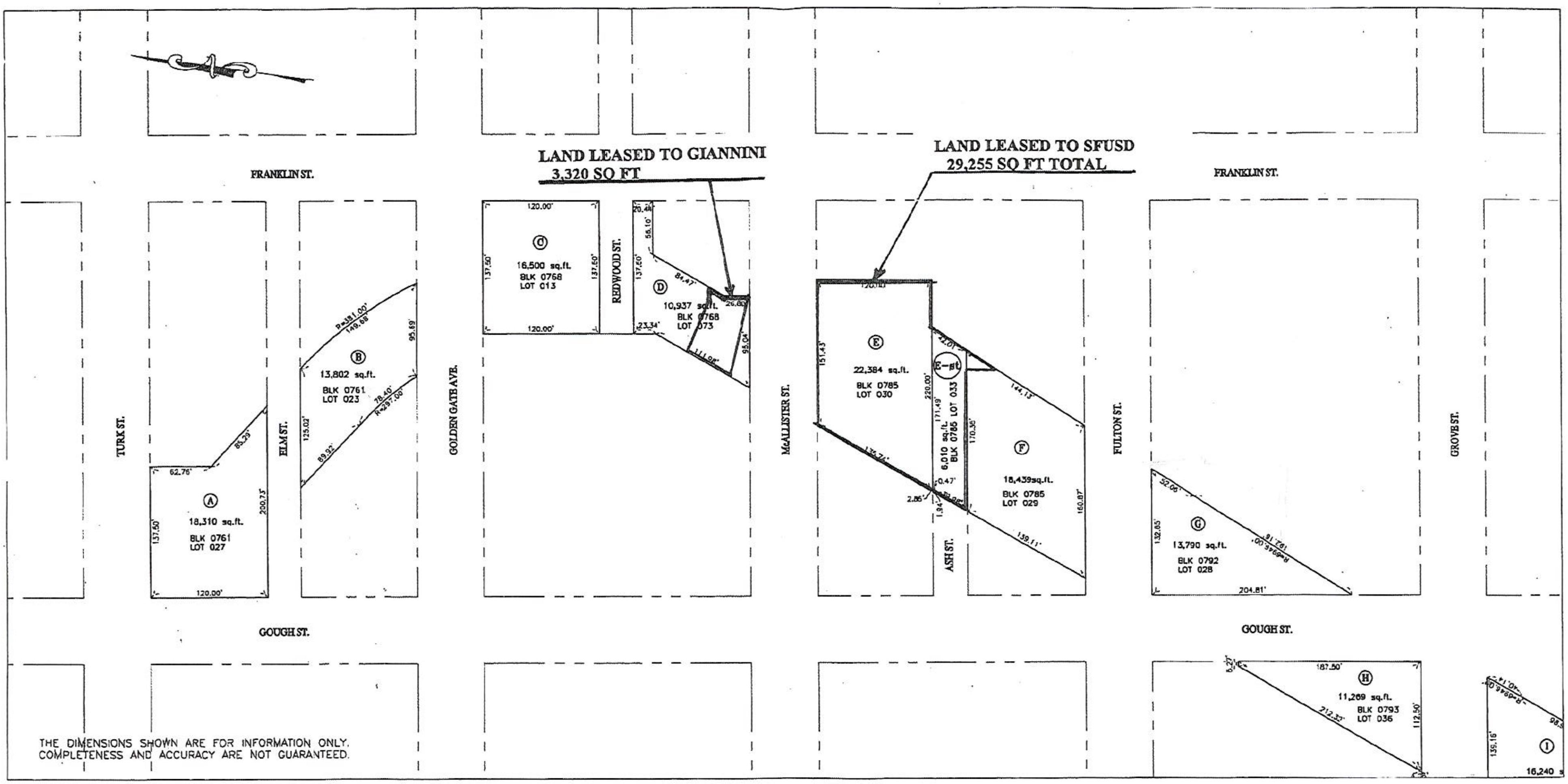
As noted above, on December 10, 2013, the SFUSD Governing Board will discuss a pending transaction of specific SFUSD surplus property and provide direction to SFUSD staff relative to a pending Purchase and Sale Agreement with the City, for which the SFUSD staff has recommended approval. Given that the Budget and Finance Committee will consider the proposed resolution on December 11, 2013, one day after the SFUSD Governing Board provides direction to SFUSD staff relative to such pending Purchase and Sale Agreement, the Budget and Legislative Analyst recommends that the Director of the Real Estate Division orally report to the Budget and Finance Committee regarding the decision made by the SFUSD Governing Board on December 10, 2013.

If the SFUSD Governing Board does not approve moving forward with selling SFUSD surplus property to the City for affordable housing, the Budget and Legislative Analyst recommends a continuance of the proposed resolution to the Call of the Chair. If the SFUSD Governing Board approves moving forward with selling SFUSD surplus property to the City which is recommended by the Real Estate Division, then approval of the proposed resolution to authorize a jurisdictional transfer of the City-owned Parcel E to MOHCD should be contingent on the City securing a finalized agreement from SFUSD to exchange other SFUSD-owned surplus parcels with the City for affordable housing. Any subsequent property transaction to sell or purchase property for affordable housing purposes would be subject to Board of Supervisors approval.

RECOMMENDATIONS

1. Request the Director of the Real Estate Division to orally report on the December 10, 2013 decision by the SFUSD Governing Board on the sale of Parcel E and the purchase of SFUSD-owned surplus property to the City for affordable housing.

2. If the SFUSD Governing Board does not approve related property transactions for affordable housing for the City, continue the proposed resolution to the Call of the Chair.
3. If the SFUSD Governing Board approves moving forward with affordable property transactions, amend the proposed resolution to be contingent on the MOHCD entering into a finalized agreement with the SFUSD to exchange comparable alternative properties for the development of affordable housing in the City, subject to future approval by the Board of Supervisors, and approve the proposed resolution as amended.



CENTRAL FREEWAY REPLACEMENT PROJECT

PARCELS TO BE RECEIVED FROM CALTRANS

PHASE I

Parcels A through G

Central Freeway Replacement Project
Proposed Amended Ancillary Projects List

Project	Estimated Cost
Short-Term – 18 months	
Market and Octavia Safety Improvements	**$550,000**
Red light camera for eastbound traffic as a short-term improvement	$300,000
Design costs associated with intersection improvements including traffic calming, pedestrian enhancements, and bicycle enhancements.	$250,000
Octavia and Oak Safety Intersection Improvements: Implement soft hit posts on Oak Street to separate turn lanes.	**$250,000**
Pedestrian Safety Spot Improvements	**$250,000**
20 intersections within a block radius of Octavia Add red zones for all approaches Convert all standard crosswalks to continental crosswalks Upgrade Signal Timing to accommodate walking speed standards	
Gough – Pedestrian Countdown Signals: Install signals at Fulton, Grove and Page	**$750,000**
Re-Opening Fell/Gough Crosswalk: Including adding a pedestrian bulb	**$400,000**
Bicycle Safety Spot Improvements	**$100,000**
Market and Buchannan updated bicycle crossing	
Page Street at Octavia, short term interventions	
TOTAL	**$2,300,000**
Long Term Projects (Scopes to be further refined through the annual Interagency Plan Implementation Committee process):	
Pedestrian/Bicycle Safety Improvements that include:	**TBD**
Market and Octavia Intersection Improvements	
Oak and Octavia Safety Improvements (Long Term Permanent)	
Fell and Octavia Safety Improvements	
Other pedestrian improvements	
Market Street Pedestrian Improvements	
5-Fulton Transit Improvements: Street improvements to reduce travel time	**TBD**
Octavia Corridor Transit Improvements	**TBD**
Other Fixed Guideway improvements	

Source: Planning Department and San Francisco Municipal Transportation Agency.

Items 3 and 4 Files 13-1140 and 13-1141	Department: Recreation and Park Department (RPD)

EXECUTIVE SUMMARY

Legislative Objectives

- File 13-1140: The proposed ordinance would appropriate a total of $10,029,670, including de-appropriating $3,176,558 and appropriating $36,401 from the 2000 Recreation and Park Neighborhood Park Bond; and de-appropriating $3,000,000 and appropriating $3,816,711 from the 2008 Clean and Safe Neighborhood Parks Bond; for other capital projects under both the 2000 Recreation and Park Neighborhood Park Bond and the 2008 Clean and Safe Neighborhood Parks Bond.
- File 13-1141: The proposed ordinance would amend the FY 2013-14 and FY 2014-15 Annual Salary Ordinance to add two Class 5502 Project Manager 1 positions at RPD to implement Recreation and Park Department capital improvements.

Key Points

- In March 2000, San Francisco voters approved $110,000,000 Neighborhood Park General Obligation Improvement Bond. In February of 2008 voters approved $185,000,000 Clean and Safe Neighborhood Parks General Obligation Bond, including $151,300,000 for RPD.

Fiscal Impact

- For each 2000 Neighborhood Park Improvement Bond project, RPD staff identified all available sources of funding (i.e., Open Space Fund, revenue bonds, gifts, grants, other sources) and reports a net balance of $3,212,959 to be de-appropriated and re-appropriated by the Board of Supervisors for other park projects. Of the total $3,212,959, $3,176,558 results from surplus funds from various projects already completed and $36,401 is additional bond proceeds that were not previously appropriated.
- Under the 2008 Clean and Safe Neighborhood Parks Bond, Palega Playground which is now completed has an estimated $3,000,000 surplus funds that can be re-appropriated. Interest earnings from the original three bond sales, totaling $3,816,711 can also be appropriated. A total of $6,816,711 would be appropriated to the 2008 Neighborhood Park contingency fund for additional funding for the remaining projects to be completed.

Recommendations

- Approve the proposed supplemental ordinance (File 13-1140).
- Continue the proposed annual salary ordinance (File 13-1141) to the Call of the Chair, pending RPD providing detailed information on RPD's existing capital project workload, existing staff assignments, comparison with other bond projects staffing and the need for the requested two new positions to meet this workload.

MANDATE STATEMENT

City Charter Section 9.105 provides that amendments to the Annual Appropriation Ordinance, as finally adopted, are to be adopted in the same manner as other ordinances, and (b) no amendment to the Annual Appropriation Ordinance may be adopted unless the Controller certifies the availability of funds. Administrative Code Section 10.04 specifies that a salary ordinance showing the number and rates of compensation for positions created or continued for each supplemental appropriation ordinance must be approved by the Board of Supervisors.

BACKGROUND

2000 Neighborhood Park Improvement Bond

In March of 2000, San Francisco voters approved an $110,000,000 Neighborhood Park General Obligation Improvement Bond for the acquisition, construction and reconstruction of various Recreation and Park Department (RPD) facilities. This 2000 Neighborhood Park Bond allowed these bond funds to be used for any park purposes, excluding Golden Gate Park. According to Ms. Taylor Emerson, Analyst in the Capital and Planning Division of RPD, all of the 2000 Neighborhood Park Bond projects are included in the Department's Capital Plan, which is updated annually and approved by the Recreation and Park Commission. To date, RPD has acquired three properties, completed 83 capital projects, and is currently managing two active projects[1]. As shown in Table 1 below, to date, the entire $110,000,000 Bond plus $9,851,673 of interest earnings, for a total of $119,851,673 has been appropriated.

[1] The two active projects are: (1) Minnie & Lovie Ward (Oceanview) Recreation Center & Playground, and (2) Mission Dolores Playground.

Table 1: 2000 Bond Sales Appropriations

Bond Sale	Bond Sale Date	Amount
First	June 2000	$6,180,000
Second	February 2001	14,060,000
Third	July 2003	20,960,000
Fourth	October 2004	68,800,000
Subtotal		**$110,000,000**
Interest		**9,851,673**
Total		**$119,851,673**

2008 Clean and Safe Neighborhood Park Improvement Bond

In February of 2008, San Francisco voters approved a separate $185,000,000 Clean and Safe Neighborhood Parks General Obligation Bond, including $151,300,000 for RPD, $33,500,000 for the Port for specified parks and open space recreation projects, with the remaining $200,000 for the Citizen's Oversight Audit fund. All of the RPD and Port 2008 Clean and Safe Neighborhood Park Improvement Bond projects are included in the City's 10-year Capital Plan. According to the most recent quarterly status report on the 2008 Clean and Safe Neighborhood Parks Bond, dated September 2013, as of August 31, 2013, a total of $176,285,000 bonds have been sold, leaving a remaining balance of $8,715,000 to fund only Port waterfront park projects. As shown in Table 2 below, to date RPD has received a total of $150,173,303 from the 2008 Clean and Safe Neighborhood Park Improvement Bonds. To date, no interest earnings have been appropriated from the 2008 Park Bonds.

Table 2: 2008 Bond Sales

Bond Sale	Bond Sale Date	Amount	RPD	Port	Other*
First	August, 2008	$42,520,000	$38,457,502	$3,644,438	$418,060
Second	April, 2010	60,430,000	49,415,317	10,616,312	398,371
Third	February, 2012	73,335,000	62,300,484	10,415,765	638,751
Fourth	To be determined	$8,715,000	0	8,465,000	250,000
Total		**$185,000,000**	**$150,173,303**	**$33,141,515**	**$1,705,182**

*Other costs include the cost of bond issuance, bond oversight and program auditing.

Focusing on the RPD portion of the 2008 Clean and Safe Neighborhood Park Bond program, of the total 13 Neighborhood Parks specified in the 2008 bond program, to date, the following ten Neighborhood Park projects are complete and open to the public:

- McCoppin Square;
- Helen Diller Playground in Mission Dolores Park;
- Mission Playground;
- Chinese Recreation Center;
- Fulton Playground;
- Sunset Playground;
- Lafayette Park;
- Cabrillo Playground;
- Cayuga Playground; and
- Palega Playground.

In addition, one RPD project is currently under construction: Glen Canyon Park; one project is currently being designed: Raymond Kimbell Playground; and one project is simultaneously being planned and designed: Mission Dolores Park.

DETAILS OF PROPOSED LEGISLATION

File 13-1140: The proposed supplemental appropriation ordinance would appropriate a total of $10,029,670, including

(a) de-appropriating $3,176,558 of 2000 Recreation and Park Facilities Bond from existing capital projects;

(b) appropriating $36,401 of 2000 Recreation and Park Facilities Improvement Bond proceeds;

(c) de-appropriating $3,000,000 of 2008 Clean and Safe Neighborhood Parks Bond capital projects; and

(d) appropriating $3,816,711 of 2008 Clean and Safe Neighborhood Parks Bond Proceeds Interest Earnings.

Under the proposed ordinance, the requested $10,029,670 would be deposited into the 2000 Recreation and Park Bond Master Project and the 2008 Neighborhood Park Bond Contingency Fund to fund approved capital projects and programs under both the 2000 Recreation and Park Facilities Improvement Bond and the 2008 Clean and Safe Neighborhood Parks Bond. On November 18, 2013, the City's Capital Planning Committee approved the proposed supplemental appropriation of $10,029,670 of 2000 and 2008 Park General Obligation bonds to fund additional RPD capital improvements.

File 13-1141: The proposed ordinance would amend the FY 2013-14 and FY 2014-15 Annual Salary Ordinance to add two Class 5502 Project Manager 1 positions (1.0 FTE in FY 2013-14) in the Recreation and Park Department to implement Recreation and Park Department capital improvements.

FISCAL IMPACT

The sources and uses of the proposed $10,029,670 supplemental appropriation ordinance are summarized in Table 3 below.

Table 3: Sources and Uses of Proposed Appropriation

Sources of Funds		
2000 Neighborhood Park Improvement Bond De-appropriation		
Capital Program Management[2]	$337,600	
Playground Master Project[3]	750,941	
Neighborhood Parks Master Project	476,741	
Kelloch-Velasco Park Project	277,339	
Neighborhood Recreation Center Master Project	247,654	
Geneva Car Barn Renovation Project	838,000	
Pool Master Project	108,976	
Regional Master Project	139,307	
Total	$3,176,558	
2000 Neighborhood Park Improvement Bond Re-appropriation		
Bond proceeds not previously appropriated	36,401	
Subtotal 2000 Neighborhood Park Bond Sources		**$3,212,959**
2008 Clean and Safe Neighborhood Park Bond De-appropriation		
Palega Recreation Center	3,000,000	
2008 Clean and Safe Neighborhood Park Bond Appropriation		
Interest Earnings 1[a] Bond	1,868,241	
Interest Earnings 1[b] Bond	540,885	
Interest Earnings 2nd Bond	666,378	
Interest Earnings 3rd Bond	741,207	
Total Interest Earnings	$3,816,711	
Subtotal 2008 Clean & Safe Park Bond Sources		**$6,816,711**
Total Sources of Funds		**$10,029,670**
Uses of Funds		
2000 Neighborhood Park Improvement Bond		
Neighborhood Park Master Project	**$3,212,959**	
2008 Clean and Safe Neighborhood Park Bond		
Neighborhood Park Contingency	**6,816,711**	
Total Uses of Funds		**$10,029,67**

2000 Neighborhood Park Improvement Bond

Ms. Emerson advises that for each 2000 Neighborhood Park Improvement Bond projects, RPD staff identified all available sources of funding (i.e., Open Space Fund, revenue bonds, gifts,

[2] Capital Program Management includes various small planning and miscellaneous capital and administrative efforts in overall support of the 2000 Neighborhood Park Improvement Bond.

[3] All of the 2000 Bond Master Project appropriations (playground, neighborhood parks, neighborhood recreation centers, pool and regional) reflect the remaining fund balances in each of those project categories.

grants, other sources) and reconciled the cost for each of the bond projects with all eligible funding sources. Based on this review, RPD reports a total net balance of $5,654,950 remaining from the appropriated 2000 Bond projects, including interest earnings. Of the $5,654,950 total, $2,441,991[4] is available for reallocation by the Recreation and Park Commission to new projects because these funds were not originally appropriated to a specific project by the Board of Supervisors. The balance of $3,212,959 ($5,654,950 less $2,441,991) must be de-appropriated and re-appropriated by the Board of Supervisors for other park projects because the original funds were appropriated to specific projects. As shown in Table 3 above, of the total $3,212,959, $3,176,558 results from surplus funds from various projects already completed and $36,401 is additional bond proceeds that were not previously appropriated.

According to the requirements of the original 2000 Neighborhood Park Improvement Bond, these bond funds can be used for any RPD projects, except Golden Gate Park. RPD reported to the Capital Planning Committee that these funds would potentially be used as follows, pending RPD Commission approval: $1.8 million for Telegraph Hill landslide and $700,000 for Civic Center Garage elevators for a total of $2.5 million, leaving remaining unidentified projects of $700,000. Under the proposed supplemental, all of the $3,212,959 would be appropriated to the 2008 Neighborhood Park Master Project, to be allocated by the Recreation and Park Commission.

2008 Clean and Safe Neighborhood Park Improvement Bond

According to Ms. Emerson, the Palega Playground had an original project budget of $21.2 million. Now that Palega Playground is completed and in the closeout phase, there is a conservatively estimated $3,000,000 of surplus 2008 bond funds available that can be re-appropriated for other 2008 bond projects. In addition, the interest earnings from the original three bond sales, totaling $3,816,711 can be appropriated to provide additional funding for the remaining 2008 bond projects to be completed.

Under the proposed supplemental, all of the $6,816,711 would be Neighborhood Park Contingency Funds, to be allocated by the Recreation and Park Commission. RPD reported to the Capital Planning Committee that these funds would potentially be used as follows, pending RPD Commission approval: $4.3 million for Dolores Park, $800,000 for Raymond Kimbell Playground and $1.7 million for the Beach Chalet.

Two New Project Manager Positions

RPD is also requesting two additional 5502 Project Manager I positions (0.5 FTE each in FY 2013-14) for an additional annual salary cost of $119,000 per position or $238,000 for both positions. If the fringe benefit cost of approximately 35% is added to the salary, the total

[4] $59,158 of this $2,441,991 represents allocated net bid premium funds which cannot be appropriated for project expenditures, but can be transferred for 2000 Neighborhood Park Improvement Bond debt service payments.

ongoing annual salary and benefit cost is approximately $321,000. All of the costs for the two positions would be paid from bond funds. RPD advises that they currently have eight project managers, 2.5 assistant project managers and 110 projects to manage, which RPD indicates is not sufficient for this level of work. However, as of the writing of this report, RPD has not provided detailed information on RPD's existing capital project workload, existing staff assignments, comparison with other bond projects staffing and the need for the requested two new positions to meet this workload.

RECOMMENDATIONS

1. Approve the proposed supplemental ordinance (File 13-1140).
2. Continue the proposed annual salary ordinance (File 13-1141) to the Call of the Chair, pending RPD providing detailed information on RPD's existing capital project workload, existing staff assignments, comparison with other bond projects staffing and the need for the requested two new positions to meet this workload.

Item 5 **File 13-1098**	**Department:** San Francisco International Airport (Airport)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve a new Amenities and Business Services lease between the Airport and the Airport Travel Agency, Inc. (ATA) for a seven-year term, from January 1, 2014 through December 31, 2020, for ATA to provide (1) a full-service travel agency, (2) luggage-storage facilities, (3) shower facilities, (4) limited business services including shipping and (5) luggage-wrapping services.

Key Points

- ATA has operated a full-service travel agency and luggage-storage facilities in the International Terminal of the Airport under Amenities and Business Services leases since 1996 and is currently providing these services under an existing Amenities and Business Services lease effective from January 1, 2007 through December 31, 2013.
- The Airport issued a competitive Request for Proposals (RFP) for vendors to provide (1) a full-service travel agency, (2) baggage-storage facilities, (3) shower facilities, (4) limited business services including shipping and (5) luggage-wrapping services at the Airport. ATA was the sole respondent to that RFP and was awarded the lease, which will be for a term of seven-years from January 1, 2013 through December 31, 2020.

Fiscal Impact

- Under the proposed lease, ATA will pay the greater of 15 percent of ATA gross revenues or the Minimum Annual Guarantee (MAG) amount of $180,000 per year subject to annual inflation. The MAG of $180,000 under the proposed lease is $113,018 more than the MAG of $66,982 under the existing lease.
- Based on a MAG of $180,000, the Airport will receive at least $1,260,000 in rent paid by ATA over the seven-year term of the lease.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

City Charter Section 9.118(c) states that any lease entered into by a department, board or commission that will generate revenue to the City of $1 million or more, or any modification of that lease is subject to Board of Supervisors approval.

Background

The Airport Travel Agency, Inc. (ATA), a private firm, has provided various services to the travelers and clients at the San Francisco Airport since 1996 under an Amenities and Business Services lease awarded by the Airport to ATA through a competitive process.

The most recent lease, approved by the Airport Commission, was effective from January 1, 2007 through December 31, 2011 and included one two-year option to extend the term of the lease through December 31, 2013 at the sole discretion of the Airport Commission. The existing lease was not subject to Board of Supervisors approval since the lease did not meet the statutory thresholds.

Under the existing lease, ATA initially leased 1,214 square feet of space in the International Terminal to provide (1) a full-service travel agency and (2) luggage storage facilities at the Airport. Additionally, ATA provides limited business services including shipping and entertainment-related services such as the sale of performing arts and sporting event tickets.

On July 15, 2008, the Airport Commission amended the existing lease to: (1) increase the premises by approximately 1,120 square feet from approximately 1,214 square feet to approximately 2,334 square feet, and (2) expand the services offered by ATA to include four shower facilities.

On March 19, 2013, the Airport issued a new competitive Request for Proposals (RFP) from qualified vendors to provide the services currently being provided by ATA including (1) a full-service travel agency, (2) luggage-storage facilities, (3) shower facilities, and (4) limited business services including shipping. In addition to the services currently provided by ATA, the RFP included an 800 square feet location in Terminal 2 and a 100 square feet location in the International Terminal, for a total of 3,234 square feet, to provide the luggage-wrapping services, which were not included in the previous leases. ATA was the sole respondent to the RFP. The Airport found that ATA met the qualifications and awarded ATA the new lease on September 17, 2013 to be effective on January 1, 2014. Table 1 below shows that the ATA proposal received a score of 86.07 points out of 100 possible points as determined by the Airport evaluation panel.

Table 1: Airport Travel Agency, Inc. Proposal Evaluation

RFP Criteria	Maximum	Airport Travel Agency, Inc.
Experience	5.00	4.67
Financial Strength and Business Plan	15.00	12.33
Services Offering	20.00	16.67
Customer Service, Operations, and Management Plan	20.00	17.07
Design Intention and Capital Investment	20.00	15.33
Minimum Annual Guarantee Offer	20.00	20.00
Total	**100.00**	**86.07**

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a new Amenities and Business Services lease awarded by the Airport to the Airport Travel Agency, Inc. (ATA), the existing tenant, based on a competitive RFP process. The proposed new lease will be effective January 1, 2014 and includes the following lease terms and provisions shown in Table 2 below.

Table 2: Airport Travel Agency Agreement Provisions

Lease Term	Seven years, commencing approximately January 1, 2014 through December 31, 2020
Option to Extend	None
Premises	<u>3,234 total square feet as follows:</u> • 1,214 square feet in the International Terminal for full-service travel agency and business services (included in the previous lease) • 1,120 square feet in the International Terminal for four shower facilities and three nap rooms (included in the previous lease) • 800 square feet in Terminal 2 exclusively for luggage-wrapping services • 100 square feet in the International Terminal for luggage-wrapping services
Rent	The greater amount of either the percentage of gross revenues or the Minimum Annual Guarantee (MAG)
Minimum Annual Guarantee (MAG) Amount	$180,000 per year ($15,000 per month), adjusted annually based on the standard Airport formula
Percentage of Gross Revenues	15 percent of gross revenue
Minimum Investment	$884,450 ($350 per square foot for 2,527 square feet in the 'Public Area')*
Promotional Fee	$3,234 based on $1 per square foot for 3,234 square feet (subject to adjustment at the discretion of the Airport)

** Public Area is that portion of the leased premises that is open to members of the public.*

The proposed lease between the Airport and ATA includes 900 square feet that were not included under the previous lease comprised of (1) 800 square feet in Terminal 2 and (2) 100 square feet in the International Terminal that will both provide luggage-wrapping services.

FISCAL IMPACT

Although the proposed lease provides that the $180,000 MAG will be adjusted annually based on the standard Airport formula, according to Ms. Gigi Ricasa, Airport Senior Property Manager, the Airport has not estimated future increases in the MAG during the seven-year term of the proposed lease.

Under both the existing and proposed leases, ATA is responsible for paying to the Airport rent equal to the greater of the MAG or 15 percent of annual gross revenues. The proposed lease includes a MAG of $180,000 (see Table 2 above)or $1,260,000 over the seven-year term. Under the proposed lease, the MAG of $180,000 is $113,018 more than the MAG of $66,982 in 2013 under the existing lease (see Table 3 below). Under the existing lease, ATA has paid percentage rent to the Airport, which exceeded the MAG, as shown in Table 3 below. Ms. Ricasa estimates that the Airport will continue to be paid percentage rent under the proposed new lease.

Table 3: Airport Travel Agency, Inc. Actual Revenues and Rent Paid to the Airport

Calendar Year	Gross Revenues	Percentage Rent Paid by ATA to the Airport	Minimum Annual Guarantee
2009	$823,904	$123,586	$59,029
2010	913,815	137,072	63,451
2011	1,108,123	166,218	64,689
2012	1,197,256	179,588	65,763
2013 (10 months from Jan - Oct)	1,160,213	174,032	66,982

RECOMMENDATION

Approve the proposed resolution.

Item 6 **File 13-1054**	**Department:** San Francisco International Airport (Airport)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve a new agreement between the San Francisco International Airport (Airport) and ThyssenKrupp Elevator Corporation (ThyssenKrupp) for the maintenance, repair, testing, and on-call emergency services for approximately 170 elevators at the Airport, for a period of five years from January 1, 2014, through December 31, 2018 and a not-to-exceed amount of $11,000,000.

Key Points

- In 2008, following a competitive Request for Bids process, the Airport entered into an agreement with ThyssenKrupp for the construction, installation, maintenance, repair, modernization, and unlimited emergency call back and on-call services for approximately 170 elevators at the Airport for a five year term from April 1, 2008 through March 31, 2013 for a not-to-exceed amount of $8,000,000.
- The Airport entered into three amendments to the agreement that extended the term by an additional nine months through December 31, 2013 and increased the not-to-exceed amount by $1,840,000 to $9,840,000.
- Following the Request for Proposals (RFP) for elevator maintenance services issued on July 24, 2013, the Airport Commission awarded the proposed Elevator Maintenance Services agreement to ThyssenKrupp on October 22, 2013.
- In addition to the approximately 170 elevators currently maintained under the existing agreement, 13 elevators will be added to this proposed new agreement in April 2016 for a total of 183 elevators, after the expiration of the Airport’s agreement with Turner Construction Company/KONE, Inc. for the renovation of Terminal 2/Boarding Area D.

Fiscal Impact

- The budget for the proposed new five-year agreement for ThyssenKrupp to maintain and repair elevators at the Airport is $11,000,000, and includes (1) $8,893,651 for maintenance services, (2) $1,381,408 for materials, and (3) $724,941 to maintain the 13 Terminal 2/Boarding Area D elevators beginning in 2017.
- The annual budget for the proposed new agreement increases by 5.0 percent per year for maintenance services and materials, based on the estimated annual escalation in costs for labor and materials.
- Funding for the proposed agreement will be provided from the Airport's Operating budget.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

City Charter Section 9.118(b) states that an agreement entered into by a department, board or commission that (1) has a term of more than 10 years, (2) requires expenditures of $10 million or more, or (3) requires a modification of more than $500,000 is subject to Board of Supervisors approval.

Background

On March 18, 2008, following a competitive Request for Bids process, the San Francisco International Airport (Airport) entered in to an agreement with ThyssenKrupp Elevator Corporation (ThyssenKrupp) for the construction, installation, maintenance, repair, modernization, and unlimited emergency call back and on-call services for approximately 170 elevators at the Airport for a five year term from April 1, 2008 through March 31, 2013 for a total not-to-exceed amount of $8,000,000.[1]

Effective November 1, 2012, the Airport entered into a first amendment to the agreement, increasing the not-to-exceed amount by $1,000,000 to $9,000,000. According to Mr. Timothy Hatfield, Airport Mechanical Maintenance Supervisor, this increase was due to unexpected work created by the renovation of the Airport's Terminal 2 and was necessary to make the terminal ready for operation.

The Airport began a new competitive solicitation process for a new elevator maintenance service agreement in August 2012, but due to revisions in the process, the competitive Request for Proposals (RFP) process for a new maintenance services agreement took longer than expected. Therefore, the Airport entered into a second amendment to the agreement, extending the term by three months through June 30, 2013, and a third amendment to the agreement, extending the term by an additional six months through December 31, 2013 and increasing the not-to-exceed amount by $840,000 to $9,840,000.

The budget for the existing five-year and nine month agreement of not-to-exceed $9,840,000 is shown in Table 1 below.

[1] Includes all elevators located in the International Terminal Building, Boarding Area G, Boarding Area A, Terminal 1, Terminal 3, Domestic Garage, Garage A, Garage G, Connectors, Airtrain Stations, and Rental Car Facilities.

Table 1: Existing Elevator Maintenance Services Agreement Budget
April 1, 2008 through December 31, 2013

	FY 2007-08 (3 months)	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 (6 Months)	Total
Maintenance Services	$221,008	$1,488,363	$2,123,622	$1,681,399	$1,590,982	$968,364	$760,000	$8,833,738
Materials		8,121	688,604	124,621	104,916	0	80,000	1,006,262
Total	**$221,008**	**$1,496,484**	**$2,812,226**	**$1,806,020**	**$1,695,898**	**$968,364**[2]	**$840,000**	**$9,840,000**

According to Ms. Cynthia Avakian, Airport Contracts Administration Unit, the existing agreement did not require approval by the Board of Supervisors because the agreement was bid as a construction agreement that included construction, modernization upgrades, maintenance, repair and call back services for approximately 170 elevators at the Airport.

Results of the RFP Process for the Proposed New Agreement

Three firms responded to the RFP for elevator maintenance services issued on July 24, 2013: Kone Inc., Schindler Elevator Corporation, and ThyssenKrupp Elevator Corporation, the existing contractor. An Airport panel evaluated the proposals and determined the following total scores:[3]

- Kone Inc. – 264 points
- Schindler Elevator Corporation – 260.28 points
- ThyssenKrupp Elevator Corporation – 292.96 points

On October 22, 2013, the Airport Commission awarded the proposed Elevator Maintenance Services agreement to ThyssenKrupp Elevator Corporation.

DETAILS OF PROPOSED LEGISLATION

Based on a competitive RFP process, the proposed resolution would approve a new agreement between the Airport and ThyssenKrupp, the existing contractor, for the maintenance, repair, testing, and on-call emergency services for approximately 170 elevators at the Airport, for a

[2] According to Mr. Hatfield, the FY 2012-13 budget was only $968,364 because the Airport deferred elevator maintenance in order to not exceed the agreement's not-to-exceed amount of $9,000,000.

[3] The Airport issued two separate RFPs for elevator maintenance services (File 13-1054) and escalator and electric walk maintenance services (File 13-1055), but evaluated the responses to the elevator maintenance services RFP and escalator and electric walk maintenance services RFP jointly.

period of five years from January 1, 2014, through December 31, 2018 and a not-to-exceed amount of $11,000,000.

In addition to the approximately 170 elevators currently maintained by ThyssenKrupp under the existing agreement, 13 elevators will be added to this proposed new agreement with ThyssenKrupp in April 2016 after the expiration of the Airport's agreement with Turner Construction Company/KONE, Inc. for the renovation of Terminal 2/Boarding Area D. As a result, beginning in April 2016, ThyssenKrupp will maintain approximately 183 elevators.[4] According to Mr. Hatfield, additional elevators may be added to the proposed agreement due to future Airport renovations or expansion.

FISCAL IMPACT

The budget details for the proposed new five-year agreement for ThyssenKrupp to maintain and repair elevators at the Airport is $11,000,000, as shown in Table 2 below.

Table 2: Proposed Elevator Maintenance Services Agreement Budget
January 1, 2014 through December 31, 2018

	Year 1 - 2014	Year 2 - 2015	Year 3 - 2016	Year 4 - 2017	Year 5 - 2018	Total
Maintenance Services						
Labor	$1,409,073	$1,479,527	$1,553,503	$1,631,178	$1,712,737	$7,786,018
Overtime – 5%	70,454	73,976	77,675	81,559	85,637	389,301
Annual Certification	75,000	78,750	82,688	86,822	91,163	414,422
Miscellaneous Labor	55,000	57,750	60,638	63,669	66,853	303,910
O&M Subtotal	1,609,527	1,690,003	1,774,503	1,863,228	1,956,390	8,893,651
Materials	250,000	262,500	275,625	289,406	303,877	1,381,408
Terminal 2/Boarding Area D*				362,470	362,471	724,941
Total	**$1,859,527**	**$1,952,503**	**$2,050,128**	**$2,515,104**	**$2,622,738**	**$11,000,000**
% Increase in Maintenance Services and Materials from Prior Year		5.0%	5.0%	5.0%	5.0%	

*In Years 4 and 5, the proposed agreement will include the elevators located in Terminal 2/Boarding Area D.

According to Mr. Hatfield, the 5.0 percent increase in the annual budget, shown in Table 2 above, is based on the estimated annual escalation in costs for labor and materials. Additionally, the budget includes $362,470, beginning in 2017, to maintain the 13 Terminal 2/Boarding Area D elevators.

[4] Mr. Hatfield reports that the cost for the maintenance of the 13 Terminal 2/Boarding Area D elevators will be absorbed within the proposed new agreement budget from April 2016 through December 2016. Increased costs to maintain the additional 13 elevators are included in the agreement budget beginning in 2017.

Mr. Hatfield reports that the funding for the proposed agreement will be provided from the Airport's Operating budget.

RECOMMENDATION

Approve the proposed resolution.

Item 7 **File 13-1055**	**Department:** San Francisco International Airport (Airport)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve a new agreement between the San Francisco International Airport (Airport) and ThyssenKrupp Elevator Corporation (ThyssenKrupp) for the maintenance, repair, testing, and on-call emergency services for approximately 133 escalators and 43 electric walks at the Airport, for a period of five years from January 1, 2014, through December 31, 2018 and a not-to-exceed amount of $17,000,000.

Key Points

- In 2008, following a competitive Request for Bids process, Airport entered in to an agreement with ThyssenKrupp for the construction, installation, maintenance, repair, modernization, and unlimited emergency call back and on-call services for approximately 133 escalators and 43 electric walks at the Airport for a five year term from April 1, 2008 through March 31, 2013 for a not-to-exceed amount of $14,000,000.
- The Airport entered into two amendments to the agreement that extended the term by an additional nine months through December 31, 2013 and increased the not-to-exceed amount by $1,500,000 to $15,500,000.
- Following the Request for Proposals (RFP) for elevator maintenance services issued on July 24, 2013, the Airport Commission awarded the proposed Escalators and Electric Walk Maintenance Services agreement to ThyssenKrupp on October 22, 2013.
- In addition to the approximately 133 escalators and 43 electric walks currently maintained under the existing agreement, 12 escalators will be added to this proposed new agreement in April 2016 for a total of 145 escalators and 43 electric walks, after the expiration of the Airport's agreement with Turner Construction Company/KONE, Inc. for the renovation of Terminal 2/Boarding Area D.

Fiscal Impact

- The budget for the proposed new five-year agreement for ThyssenKrupp to maintain and repair elevators at the Airport is $17,000,000, and includes (1) $15,422,241 for maintenance services, (2) $1,381,408 for materials, and (3) $196,351 to maintain the 12 Terminal 2/Boarding Area D escalators beginning in 2017.
- The budget for the proposed new agreement increases by 5.0 percent per year for maintenance services and materials, based on the estimated annual escalation in costs for labor and materials.
- Funding for the proposed agreement will be provided from the Airport's Operating budget.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

City Charter Section 9.118(b) states that an agreement entered into by a department, board or commission that (1) has a term of more than 10 years, (2) requires expenditures of $10 million or more, or (3) requires a modification of more than $500,000 is subject to Board of Supervisors approval.

Background

On March 18, 2008, following a competitive Request for Bids process, the San Francisco International Airport (Airport) entered in to an agreement with ThyssenKrupp Elevator Corporation (ThyssenKrupp) for the construction, installation, maintenance, repair, modernization, and unlimited emergency call back and on-call services for approximately 133 escalators and 43 electric walks at the Airport for a five year term from April 1, 2008 through March 31, 2013 for a not-to-exceed amount of $14,000,000.[1]

The Airport began a new competitive solicitation process for a new elevator maintenance service agreement in August 2012, but due to revisions in the process, the competitive Request for Proposals (RFP) process for a new maintenance services agreement took longer than expected. Therefore, the Airport entered into a first amendment to the agreement, extending the term by three months through June 30, 2013, and a second amendment, extending the term by an additional six months through December 31, 2013 and increasing the not-to-exceed amount by $1,500,000 to $15,500,000.

The budget for the existing five-year and nine month agreement of $15,142,793, which is $357,507 less than the total not-to-exceed amount of $15,500,000, is shown in Table 1 below.

Table 1: Existing Escalator and Electric Walk Maintenance Services Agreement Budget April 1, 2008 through December 31, 2013

	FY 2007-08 (3 months)	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14 (6 Months)	Total
Maintenance Services	$442,832	$2,393,566	$2,064,632	$2,119,161	$2,673,068	$2,600,000	$2,100,000	**$14,393,259**
Materials		86,507	98,002	101,531	133,194	250,000	80,000	**749,234**
Total	**$442,832**	**$2,480,073**	**$2,162,634**	**$2,220,692**	**$2,806,262**	**$2,850,000**	**$2,180,000**	**$15,142,493**

[1] Includes all escalators and electric walks located in the International Terminal Building, Boarding Area G, Boarding Area A, Terminal 1, Terminal 3, Domestic Garage, Garage A, Garage G, Connectors, Airtrain Stations, and Rental Car Facilities.

According to Ms. Cynthia Avakian, Airport Contracts Administration Unit, the existing agreement was not subject to Board of Supervisors approval because the agreement was bid as a construction agreement that included construction, modernization upgrades, maintenance, repair and call back services for approximately 133 escalators and 43 electric walks at the Airport.

Results of the RFP Process for the Proposed New Agreement

Three firms responded to the RFP for escalator and electric walk maintenance services issued on July 24, 2013: Kone Inc., Schindler Elevator Corporation, and ThyssenKrupp Elevator Corporation, the existing contractor. An Airport panel evaluated the proposals and determined the following total scores:[2]

- Kone Inc. – 264 points
- Schindler Elevator Corporation – 260.28 points
- ThyssenKrupp Elevator Corporation – 292.96 points

On October 22, 2013, the Airport Commission awarded the proposed Escalators and Electric Walk Maintenance Services agreement to ThyssenKrupp Elevator Corporation.

DETAILS OF PROPOSED LEGISLATION

Based on a competitive RFP process, the proposed resolution would approve a new agreement between the Airport and ThyssenKrupp, the existing contractor, for the maintenance, repair, testing, and on-call emergency services for approximately 133 escalators and 43 electric walks at the Airport, for a period of five years from January 1, 2014, through December 31, 2018 and a not-to-exceed amount of $17,000,000.

In addition to the approximately 133 escalators and 43 electric walks currently maintained by ThyssenKrupp under the existing agreement, 12 escalators will be added to this proposed agreement with ThyssenKrupp in April 2016 after the expiration of the Airport's existing agreement with Turner Construction Company/Kone, Inc., for the renovation of Terminal 2/Boarding Area D. As a result, beginning in April 2016, ThyssenKrupp will maintain approximately 145 escalators and 43 electric walks.[3] According to Mr. Timothy Hatfield, Airport

[2] The Airport issued two separate RFPs for elevator maintenance services (File 13-1054) and escalator and electric walk maintenance services (File 13-1055), but evaluated the responses to the elevator maintenance services RFP and escalator and electric walk maintenance services RFP jointly.

[3] Mr. Hatfield reports that the cost for the maintenance of the 12 Terminal 2/Boarding Area D escalators will be absorbed within proposed agreement budget from April 2016 through December 2016. Increased costs to maintain the additional 12 escalators are included in the agreement budget beginning in 2017.

Mechanical Maintenance Supervisor, additional escalators and electric walks may be added to the proposed agreement due to future Airport renovations or expansion.

FISCAL IMPACT

The budget details for the proposed new five-year agreement for ThyssenKrupp to maintain and repair escalators and electric walks at the Airport is $17,000,000, as shown in Table 2 below.

Table 2: Proposed ThyssenKrupp Escalator and Electric Walk Maintenance Services Agreement Budget
January 1, 2014 through December 31, 2018

	Year 1 -2014	Year 2 -2015	Year 3 -2016	Year 4 -2017	Year 5 -2018	Total
Maintenance Services						
Labor	$2,491,464	$2,616,037	$2,746,839	$2,884,180	$3,028,389	$13,766,909
Overtime – 5%	124,573	130,802	137,342	144,209	151,419	688,345
Annual Certification	120,000	126,000	132,300	138,915	145,861	663,076
Miscellaneous Labor	55,000	57,750	60,638	63,669	66,853	303,910
O&M Subtotal	2,791,037	2,930,589	3,077,119	3,230,973	3,392,523	15,422,241
Materials	250,000	262,500	275,625	289,406	303,877	1,381,408
Terminal 2/Boarding Area D*				98,175	98,176	196,351
Total	**$3,041,037**	**$3,193,089**	**$3,352,744**	**$3,618,554**	**$3,794,556**	**$17,000,000**
% Increase in Maintenance Services and Materials from Prior Year	n/a	5.0%	5.0%	5.0%	5.0%	

*In Years 4 and 5, the proposed agreement will include the escalators located in Terminal 2/Boarding Area D.

According to Mr. Hatfield, the 5.0 percent increase in the annual budget, shown in Table 2 above, is based on the estimated annual escalation in costs for labor and materials. Additionally, the budget includes $98,175, beginning in 2017, to maintain the 12 Terminal 2/Boarding Area D escalators.

Mr. Hatfield reports that the funding for the proposed agreement will be provided from the Airport's Operating budget.

RECOMMENDATION

Approve the proposed resolution.

Item 8 **File 13-1080**	**Department:** Civil Service Commission (CSC); and Office of Labor Standards and Enforcement (OLSE)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would fix prevailing wage rates for employees of businesses having City contracts that (1) perform public works and improvement projects, (2) perform janitorial services, (3) work in public off-street parking lots, garages, or storage facilities for vehicles on property owned or leased by the City, (4) engage in theatrical or technical services related to the presentation of shows on property owned or leased by the City, (5) haul solid waste, and (6) perform moving services at facilities owned or leased by the City.

Key Points

- Each year, the Board of Supervisors is required to establish the prevailing wage rates that specified businesses having City contracts are required to pay their employees. The Civil Service Commission assists the Board of Supervisors by furnishing relevant prevailing wage data collected by the Office of Labor Standards Enforcement; however, the Board of Supervisors is not bound to consider only the Civil Service Commission's data.

- The proposed resolution would establish the following prevailing wage rates: (1) construction employees would receive wage rates that vary by classification, ranging from no change for landscape maintenance laborers to wage rate increases up to $4.25 per hour for certain plumbers; (2) janitorial employees would receive wage rate increases that vary by classification, ranging from $0.28 per hour to $0.40 per hour; (3) window cleaners would receive no change in the wage rate; (4) garage and parking lot employees would receive a wage rate increase of $0.34 per hour; (5) theatrical employees would receive a wage rate increase of $0.34 to $0.48 per hour, depending on the classification; (6) employees hauling solid waste would receive a wage rate increase of $1.31 per hour; and (7) employees performing moving services would receive a wage rate increase of $0.10 per hour.

Fiscal Impact

- The proposed resolution increases in the prevailing wage rates could result in increased costs to the City under future City contracts for the subject services. However, such costs are dependent on future City contractor bids and the extent to which City contractors increase the bids submitted to the City to pay for the costs of the increased prevailing wages rates. Therefore, such potential increased costs to the City cannot be estimated at this time.

Recommendation

- Approval of the proposed resolution is a policy decision for the Board of Supervisors.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

Charter Section A7.204 requires contractors that have public works or construction contracts with the City to pay employees the highest general prevailing rate of wages for similar work in private employment. The Charter allows the Board of Supervisors to exempt payment of the prevailing wage for wages paid under public works or construction contracts between the City and non-profit organizations that provide workforce development services.

Administrative Code Section 22(E)(3) requires the Board of Supervisors to annually set prevailing wage rates for employees of businesses having City contracts. Table 1 below identifies the (a) specific Administrative Code Sections, (b) the dates each Administrative Code Section was last amended by the Board of Supervisors, and (c) the types of City contracts, leases, and/or operating agreements in which the businesses are required to pay prevailing wages.

Table 1: List of Contractors Required to pay the Annual Prevailing Wage

Administrative Code[1]	Date of Most Recent Amendment	Type of Contract
Section 6.22 (E)	May 19, 2011	Public works or construction
Section 21C.2	February 2, 2012	Janitorial and window cleaning services
Section 21C.3	February 2, 2012	Public off-street parking lots, garages and vehicle storage facilities
Section 21C.4	February 2, 2012	Theatrical performances
Section 21C.5	February 2, 2012	Solid waste hauling services
Section 21C.6	February 2, 2012	Moving services

Background

Each year, the Board of Supervisors is required to establish the prevailing wage rates that businesses having contracts with the City are required to pay their construction, motor bus service, janitorial and window cleaning, parking, theatrical, moving, and solid waste hauling service employees.

To assist the Board of Supervisors in determining the prevailing wage rates, the Civil Service Commission is required to furnish the Board of Supervisors, on or before the first Monday of November of each year, relevant prevailing wage rate data. Administrative Code Section 6.22(E) states that the Board of Supervisors is not limited to the data submitted by the Civil Service Commission to determine the prevailing wage rates, but may consider other information on the subject as the Board of Supervisors deems appropriate. If the Board of Supervisors does not

[1] Under Administrative Code, Section 21C.1, the Board of Supervisor s is required to set the annual prevailing wage rates for motor bus service; however, because the City does not have an existing motor bus services contract, the proposed ordinance does not set the prevailing wage rates for these classifications at this time.

adopt the prevailing wage rates, the wage rates established by the California Department of Industrial Relations for the year will be adopted.

The Civil Service Commission's relevant prevailing wage rate data provided to the Board of Supervisors is based on a survey by the Office of Labor Standards Enforcement and includes collective bargaining agreements that have recently been negotiated.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would fix prevailing wage rates for employees of businesses having City contracts, leases, or operating agreements that (1) perform public works and improvement projects, (2) perform janitorial and window services, (3) work in public off-street parking lots, garages, or storage facilities for vehicles on property owned or leased by the City, (4) engage in theatrical or technical services related to the presentation of shows on property owned or leased by the City, (5) haul solid waste, and (6) perform moving services at facilities owned or leased by the City.

As discussed above, in order to assist the Board of Supervisors in determining and establishing prevailing wage rates, the Civil Service Commission is required to submit relevant prevailing wage rate data to the Board of Supervisors, on or before the first Monday of November of each year. On October 21, 2013, the Civil Service Commission reviewed and certified the prevailing wage rate data compiled by the Department of Human Resources and forwarded the following data to the Board of Supervisors on October 25, 2013:

- Prevailing wage rates for various crafts and labor classifications under public works projects are established by the California Department of Industrial Relations, usually based on collective bargaining agreements that cover the employees performing the relevant craft or type of work in San Francisco.

- Prevailing wage rates for contracts for other services and classifications covered by the Administrative Code, as recommended by the Civil Service Commission, are based on the collective bargaining agreements that cover work performed in San Francisco between employers and the respective labor unions.

Attachment I to this report provides an alphabetical list of the all occupations covered by the City's prevailing wage rate requirements.

FISCAL IMPACT

Attachment II to this report, prepared by the Budget and Legislative Analyst, summarizes (a) the types of contracts, leases, or operating agreements required to pay prevailing wage, (b) the respective collective bargaining agreements and labor unions, (c) the amount of the hourly wage rate increases in 2014 as compared to 2013, (d) the amount of the fringe benefit rate increases in 2014 as compared to 2013, and (e) the proposed prevailing wage rates.

Potential impact on the costs of future contractor bids

Under the proposed resolution, private businesses, that have contracts with the City, and perform construction, janitorial and window cleaning, parking, theatrical, moving, and solid waste hauling services work in San Francisco, would be required to pay their employees at least the prevailing wage rates as shown in Attachment II of the report. Increases in the prevailing wage rates could result in increased costs of future City contracts. However, any increased contract costs to the City as a result of the proposed prevailing wage rates are dependent on future City contractors' bids, and the extent to which such higher wage rates result in higher bids submitted by City contractors. Therefore, such potential increased costs to the City cannot be estimated at this time.

RECOMMENDATION

Approval of the proposed resolution is a policy decision for the Board of Supervisors.

General Prevailing Wage Determinations Made by the Director of Industrial Relations, State of California And Categories Requested by the San Francisco Board of Supervisors

Crafts and Building Trades

Asbestos Removal Worker (Laborer)
Asbestos Worker, Heat and Frost Insulator
Boilermaker-Blacksmith
Brick Tender
Bricklayer, Blocklayer
Building/Construction Inspector
Carpenter
Carpet, Linoleum
Cement Mason
Dredger (Operating Engineer)
Drywall Installer (Carpenter)
Electrical Utility Lineman
Electrician
Elevator Constructor
Field Surveyor
Glazier
Iron Worker
Laborer
Landscape Maintenance Laborer
Light Fixture Maintenance
Marble Finisher
Marble Setter
Modular Furniture Installer (Carpenter)
Operating Engineer
Operating Engineer (Building Construction)
Operating Engineer (Heavy and Highway Work)
Painter
Parking and Highway Improvement Painter (Laborer)
Parking and Highway Improvement Painter (Painter)
Pile Driver (Carpenter)
Pile Driver (Operating Engineer - Building Construction)
Pile Driver (Operating Engineer - Heavy and Highway Work)
Plaster Tender
Plasterer
Plumber
Roofer
Sheet Metal Worker (HVAC)
Slurry Seal Worker
Stator Rewinder
Steel Erector and Fabricator (Operating Engineer - Heavy & Highway Work)
Steel Erector and Fabricator (Operating Engineer - Building Construction)
Teamster
Telecommunications Technician
Telephone Installation Worker
Terrazzo Worker
Tile Finisher
Tile Setter
Traffic Control/Lane Closure (Laborer)
Tree Trimmer (high voltage line clearance)
Tree Trimmer (line clearance)
Tunnel Worker (Laborer)
Tunnel/Underground (Operating Engineer)
Water Well Driller

Other Classifications in the Administrative Code

Janitors
Movers
Parking Garage Attendants
Solid Waste Hauler
Theatrical Stage Employees
Window Cleaner

Type of Contract, Lease, or Operating Agreement	Collective Bargaining Agreement and/or Labor Union	Hourly Wage Rate Increase in 2014 compared to 2013	Hourly Fringe Benefits Rate Increase in 2014 compared to 2013	Proposed Prevailing Wage Rates (Hourly Wage Rate + Hourly Fringe Benefit Rate)
Public Works and Construction	California Department of Industrial Relations	Varies by classification, ranging from a decrease of $2.54 per hour for certain building construction operating engineers to an increase of $4.25 per hour for certain plumbers	Varies by classification, ranging from a decrease of $0.51 per hour for certain plasterers to an increase of $2.75 per hour for certain plumbers	Varies by classification: · The low wage rate is unchanged at $9.34 per hour for a landscape maintenance laborer · The high wage increases from $97.94 to $104.94 per hour for certain plumbers
Janitorial Services Contract	Collective bargaining agreement between the San Francisco Maintenance Contractors Association and the Service Employees International Union, Local 1877, Division 87.	Varies by classification from $0.28 to $0.40 per hour increase	Varies by classification and hours worked from $5.43 to $15.00 per hour increase (does not include vacation benefits which vary based on length of employment)	Varies by classification: · The low wage rate is decreased from $22.29 to $21.04 per hour · The high wage increases from $35.08 to $37.07 per hour
Window Services Contract	Collective bargaining agreement between the San Francisco Window Cleaning Contractors Association and Window Cleaners Union – Service Employees International Union Local 1877, AFL-CIO	No change	Varies by classification and hours worked from $7.91 to $14.93 per hour increase (does not include vacation benefits which vary based on length of employment)	Varies by classification: · The low wage rate is increased from $31.57 to $32.69 per hour · The high wage increases from $41.12 to $41.78 per hour
Public Off-Street Garage Attendants	Agreement between the Jurisdictional Operators of Parking Facilities and Teamsters Automotive and Allied Workers, Local 665.	Increased by $0.34 per hour	Varies by hours worked from $7.97 to $12.57 per hour increase (does not include vacation benefits which vary based on length of employment)	Varies by hours worked: · The low wage rate is increased from $28.587 to $32.21 per hour · The high wage increases from $35.09 to $36.81 per hour
Theatrical Services	2011 Project Agreement - International Alliance of Theatrical Stage Employees, Local 16, and Moving Picture Technicians, Artists and Allied Crafts.	Varies by classification from $0.34 to $0.48 per hour increase	Varies by classification from $0.60 to $0.87 per hour increase	Varies by classification: · The low wage rate increases from $47.29 to $48.50 per hour · The high wage rate increases from $70.09 to $71.31 per hour
Solid Waste Hauling	Collective Bargaining Agreement between Sanitary Truck Drivers and Helpers Union Local 350, International Brotherhood of Teamsters, and NorCal Waste Systems, Inc., Golden Gate Disposal & Recycling Company, and Sunset Scavenger Company.	Increased by $1.31 per hour	Increased by $5.73 per hour (does not include vacation benefits which vary based on length of employment)	The wage rate is increased by $74.11 to $81.15 per hour
Moving Services	Agreement, between the Northern California Regional Council of Carpenters and the Carpenters 46 Northern California Counties Conference Board.	Increased by $0.10 per hour	Increased by $0.20 per hour	Varies by classification: · The low wage rate increases from $30.32 to $30.62 per hour · The high wage rate increases from $30.59 to $30.89 per hour

Item 9 File 13-1067	Department: Fire Department (SFFD)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would authorize the San Francisco Fire Department (SFFD) to retroactively accept and expend two grant awards from one Federal Emergency Management Agency (FEMA) grant totaling $1,771,421 with an SFFD match requirement of $442,855 to (1) purchase 41 replacement defibrillators and (2) host regional training courses for first responders.

Key Points

- Currently, SFFD uses 140 defibrillators of varying technical specifications and abilities. 103 or 73.6 percent of the defibrillators are more than five years old, of which 37 or 26.4 percent were purchased in 2000, or 13 years ago.
- The newest series of defibrillators are the Zoll brand X-Series defibrillators, which offer more advanced monitoring as well as a wireless platform to communicate patient information to the hospital en route. SFFD will use the FEMA grant to replace 41 of the current inventory of defibrillators with new X-Series defibrillators.
- In addition to purchasing defibrillators, SFFD will also conduct regional training courses to first responders including (1) a safety officer training course for 200 high-rank firefighters and (2) a confined space rescue training course for 120 staff ranging from frontline staff to lieutenants.
- For the defibrillator replacement, the proposed resolution is retroactive to March 8, 2013 and would authorize grant expenditures through March 7, 2014.
- For the regional trainings, the proposed resolution is retroactive to May 1, 2013 and would authorize expenditures through April 30, 2014.

Fiscal Impact

- FEMA awarded (1) $1,029,021 in grant funds for new defibrillators and (2) $742,400 in grant funds for SFFD to host regional trainings for a total grant award of $1,771,421.
- Per the provisions of the grant, SFFD must provide (1) a match in the amount of $257,255 for the new defibrillators and (2) a match in the amount of $185,600 to host regional trainings for a total SFFD match amount of $442,855. The matching funds were previously appropriated in the FY 2012-13 and FY 2013-14 SFFD budgets.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of $100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval.

Background

The San Francisco Fire Department (SFFD) responds to emergency incidents across the City, many of which require the SFFD to monitor heart activity or to perform cardiopulmonary resuscitation. SFFD firefighters and emergency personnel use cardiac monitors and defibrillators when performing those activities.

Currently, the SFFD has 140 defibrillators of varying age and technical specifications. Based on the inventory provided by the SFFD, 103 or 73.6 percent of the defibrillators are more than five years old, of which 37 or 26.4 percent were purchased in 2000, or 13 years ago, as shown in Table 1 below.

Table 1: SFFD Defibrillators Inventory by Purchase Year

Year	Count	Percentage
2000	37	26.4%
2001	4	2.9%
2002	12	8.6%
2003	5	3.6%
2004	3	2.1%
2005	30	21.4%
2006	1	0.7%
2007	4	2.9%
2008	7	5.0%
Subtotal, 2000 to 2008	103	73.6%
2009	4	2.9%
2010	7	5.0%
2011	0	0.0%
2012	24	17.1%
2013	2	1.4%
Subtotal, 2009 to 2013	37	26.4%
Total	**140**	**100.0%**

The SFFD uses four different types of defibrillators for its work (listed in order of lowest to highest technical capabilities): automated external defibrillators (count of 41), the Zoll brand M-series defibrillators (count of 70), the Zoll brand E-series (count of 24), and the Zoll brand X-series (count of 5).

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would allow the SFFD to retroactively accept and expend two grant awards from one Federal Emergency Management Agency (FEMA) grant totaling $1,771,421 to (1) purchase 41 new defibrillators and (2) conduct regional training courses for emergency personnel.

Based on the age of the defibrillators, SFFD would replace 41 M-series defibrillators that were purchased in calendar years 2000 and 2001 with new X-series defibrillators that provide more advanced technical features such as carbon monoxide monitoring and the ability to wirelessly remit patient information to the hospital while in transit.

Per the FEMA grant awards, SFFD will provide the following two regional training courses:

- Safety Officer Training: 24-hour course for 200 higher-ranking firefighters.
- Confined Space Rescue: 40-hour course for 120 front-line fire-fighter staff ranging from firefighters to lieutenants. This course will focus on underground rescue techniques.

SFFD estimates that approximately half of the attendants will be members of the SFFD and half will be members of other fire departments in the Bay Area.

The FEMA grant awards require SFFD to purchase the defibrillators between March 8, 2013 and March 7, 2014 and to conduct the regional training courses between May 1, 2013 and April 30, 2014. The SFFD advises that no grant funds have been expended to date.

FISCAL IMPACT

The proposed FEMA grant requires local matching funds of $442,885 equal to 20 percent of the combined total grant and matching funds of $2,214,276, as shown in Table 2 below.

Table 2: Total Grant Awards

	FEMA Grant (80%)	SFFD Match (20%)	Total
Defibrillators			
Equipment	$932,373	$233,093	$1,165,466
Carrying cases, cables, and batteries	96,648	24,162	120,810
Subtotal Defibrillators	**1,029,021**	**257,255**	**1,286,276**
Regional Training			
SFFD salaries and overtime	672,000	168,000	840,000
Contracts for training support	70,400	17,600	88,000
Subtotal Regional Training	**742,400**	**185,600**	**928,000**
Total	**$1,771,421**	**$442,855**	**$2,214,276**

SFFD estimates that each defibrillator will cost $28,426, based on price quotes, which allows SFFD to purchase 41 new X-series defibrillators for $1,165,466, as shown in Table 2 above.

Source of Matching Funds

The required SFFD grant-matching fund amount of $442,855 is included in the SFFD's FY 2012-13 and FY 2013-14 budgets, previously appropriated by the Board of Supervisors.

RECOMMENDATION

Approve the proposed resolution.